

1 AN ACT concerning taxes.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Sections 21-15, 21-20, 21-25, and 21-310 as follows:

6 (35 ILCS 200/21-15)

7 Sec. 21-15. General tax due dates; default by mortgage
8 lender. Except as otherwise provided in this Section or Section
9 21-40, all property upon which the first installment of taxes
10 remains unpaid on June 1 annually shall be deemed delinquent
11 and shall bear interest after June 1 at the rate of 1 1/2% per
12 month or portion thereof. Except as otherwise provided in this
13 Section or Section 21-40, all property upon which the second
14 installment of taxes remains due and unpaid on September 1,
15 annually, shall be deemed delinquent and shall bear interest
16 after September 1 at the same interest rate. All interest
17 collected shall be paid into the general fund of the county.
18 Payment received by mail and postmarked on or before the
19 required due date is not delinquent.

20 Property not subject to the interest charge in Section
21 9-260 or Section 9-265 shall also not be subject to the
22 interest charge imposed by this Section until such time as the
23 owner of the property receives actual notice of and is billed
24 for the principal amount of back taxes due and owing.

25 If an Illinois resident who is a member of the Illinois
26 National Guard or a reserve component of the armed forces of
27 the United States and who has an ownership interest in property
28 taxed under this Act is called to active duty for deployment
29 outside the continental United States and is on active duty on
30 the due date of any installment of taxes due under this Act, he
31 or she shall not be deemed delinquent in the payment of the
32 installment and no interest shall accrue or be charged as a

1 penalty on the installment until 180 ~~30~~ days after that member
2 returns from active duty. To be deemed not delinquent in the
3 payment of an installment of taxes and any interest on that
4 installment, the reservist or guardsperson must notify the
5 county clerk and the county collector within 30 days after his
6 or her deactivation and provide verification of the date of his
7 or her deactivation. An installment of property taxes on the
8 property of any reservist or guardsperson who fails to provide
9 timely notice and verification of deactivation to the county
10 clerk is subject to interest and penalties as delinquent taxes
11 under this Code from the date of deactivation.

12 Notwithstanding any other provision of law, when any unpaid
13 taxes become delinquent under this Section through the fault of
14 the mortgage lender, (i) the interest assessed under this
15 Section for delinquent taxes shall be charged against the
16 mortgage lender and not the mortgagor and (ii) the mortgage
17 lender shall pay the taxes, redeem the property and take all
18 necessary steps to remove any liens accruing against the
19 property because of the delinquency. In the event that more
20 than one entity meets the definition of mortgage lender with
21 respect to any mortgage, the interest shall be assessed against
22 the mortgage lender responsible for servicing the mortgage.
23 Unpaid taxes shall be deemed delinquent through the fault of
24 the mortgage lender only if: (a) the mortgage lender has
25 received all payments due the mortgage lender for the property
26 being taxed under the written terms of the mortgage or
27 promissory note secured by the mortgage, (b) the mortgage
28 lender holds funds in escrow to pay the taxes, and (c) the
29 funds are sufficient to pay the taxes after deducting all
30 amounts reasonably anticipated to become due for all hazard
31 insurance premiums and mortgage insurance premiums and any
32 other assessments to be paid from the escrow under the terms of
33 the mortgage. For purposes of this Section, an amount is
34 reasonably anticipated to become due if it is payable within 12
35 months from the time of determining the sufficiency of funds
36 held in escrow. Unpaid taxes shall not be deemed delinquent

1 through the fault of the mortgage lender if the mortgage lender
2 was directed in writing by the mortgagor not to pay the
3 property taxes, or if the failure to pay the taxes when due
4 resulted from inadequate or inaccurate parcel information
5 provided by the mortgagor, a title or abstract company, or by
6 the agency or unit of government assessing the tax.

7 (Source: P.A. 93-560, eff. 8-20-03.)

8 (35 ILCS 200/21-20)

9 Sec. 21-20. Due dates; accelerated billing in counties of
10 less than 3,000,000. Except as otherwise provided in Section
11 21-40, in counties with less than 3,000,000 inhabitants in
12 which the accelerated method of billing and paying taxes
13 provided for in Section 21-30 is in effect, the estimated first
14 installment of unpaid taxes shall be deemed delinquent and
15 shall bear interest after a date not later than June 1 annually
16 as provided for in the ordinance or resolution of the county
17 board adopting the accelerated method, at the rate of 1 1/2%
18 per month or portion thereof until paid or forfeited. The
19 second installment of unpaid taxes shall be deemed delinquent
20 and shall bear interest after August 1 annually at the same
21 interest rate until paid or forfeited. Payment received by mail
22 and postmarked on or before the required due date is not
23 delinquent.

24 If an Illinois resident who is a member of the Illinois
25 National Guard or a reserve component of the armed forces of
26 the United States and who has an ownership interest in property
27 taxed under this Act is called to active duty for deployment
28 outside the continental United States and is on active duty on
29 the due date of any installment of taxes due under this Act, he
30 or she shall not be deemed delinquent in the payment of the
31 installment and no interest shall accrue or be charged as a
32 penalty on the installment until 180 ~~30~~ days after that member
33 returns from active duty. To be deemed not delinquent in the
34 payment of an installment of taxes and any interest on that
35 installment, the reservist or guardsperson must notify the

1 county clerk within 30 days after his or her deactivation and
2 provide verification of the date of his or her deactivation. An
3 installment of property taxes on the property of any reservist
4 or guardsperson who fails to provide timely notice and
5 verification of deactivation to the county clerk and the county
6 collector is subject to interest and penalties as delinquent
7 taxes under this Code from the date of deactivation.

8 (Source: P.A. 91-199, eff. 1-1-00; 91-898, eff. 7-6-00.)

9 (35 ILCS 200/21-25)

10 Sec. 21-25. Due dates; accelerated billing in counties of
11 3,000,000 or more. Except as hereinafter provided and as
12 provided in Section 21-40, in counties with 3,000,000 or more
13 inhabitants in which the accelerated method of billing and
14 paying taxes provided for in Section 21-30 is in effect, the
15 estimated first installment of unpaid taxes shall be deemed
16 delinquent and shall bear interest after March 1 at the rate of
17 1 1/2% per month or portion thereof until paid or forfeited.
18 The second installment of unpaid taxes shall be deemed
19 delinquent and shall bear interest after August 1 annually at
20 the same interest rate until paid or forfeited.

21 If the county board elects by ordinance adopted prior to
22 July 1 of a levy year to provide for taxes to be paid in 4
23 installments, each installment for that levy year and each
24 subsequent year shall be deemed delinquent and shall begin to
25 bear interest 30 days after the date specified by the ordinance
26 for mailing bills, at the rate of 1 1/2% per month or portion
27 thereof, until paid or forfeited.

28 Payment received by mail and postmarked on or before the
29 required due date is not delinquent.

30 Taxes levied on homestead property in which a member of the
31 National Guard or reserves of the armed forces of the United
32 States who was called to active duty on or after August 1,
33 1990, and who has an ownership interest, shall not be deemed
34 delinquent and no interest shall accrue or be charged as a
35 penalty on such taxes due and payable in 1991 or 1992 until one

1 year after that member returns to civilian status.

2 If an Illinois resident who is a member of the Illinois
3 National Guard or a reserve component of the armed forces of
4 the United States and who has an ownership interest in property
5 taxed under this Act is called to active duty for deployment
6 outside the continental United States and is on active duty on
7 the due date of any installment of taxes due under this Act, he
8 or she shall not be deemed delinquent in the payment of the
9 installment and no interest shall accrue or be charged as a
10 penalty on the installment until 180 ~~30~~ days after that member
11 returns to civilian status. To be deemed not delinquent in the
12 payment of an installment of taxes and any interest on that
13 installment, the reservist or guardsperson must notify the
14 county clerk within 30 days after his or her deactivation and
15 provide verification of the date of his or her deactivation. An
16 installment of property taxes on the property of any reservist
17 or guardsperson who fails to provide timely notice and
18 verification of deactivation to the county clerk and the county
19 collector is subject to interest and penalties as delinquent
20 taxes under this Code from the date of deactivation.

21 (Source: P.A. 91-199, eff. 1-1-00; 91-898, eff. 7-6-00.)

22 (35 ILCS 200/21-310)

23 Sec. 21-310. Sales in error.

24 (a) When, upon application of the county collector, the
25 owner of the certificate of purchase, or a municipality which
26 owns or has owned the property ordered sold, it appears to the
27 satisfaction of the court which ordered the property sold that
28 any of the following subsections are applicable, the court
29 shall declare the sale to be a sale in error:

30 (1) the property was not subject to taxation, or all or
31 any part of the lien of taxes sold has become null and void
32 pursuant to Section 21-95 or unenforceable pursuant to
33 subsection (c) of Section 18-250 or subsection (b) of
34 Section 22-40,

35 (2) the taxes or special assessments had been paid

1 prior to the sale of the property,

2 (3) there is a double assessment,

3 (4) the description is void for uncertainty,

4 (5) the assessor, chief county assessment officer,
5 board of review, board of appeals, or other county official
6 has made an error (other than an error of judgment as to
7 the value of any property),

8 (5.5) the owner of the homestead property had tendered
9 timely and full payment to the county collector that the
10 owner reasonably believed was due and owing on the
11 homestead property, and the county collector did not apply
12 the payment to the homestead property; provided that this
13 provision applies only to homeowners, not their agents or
14 third-party payors,

15 (6) prior to the tax sale a voluntary or involuntary
16 petition has been filed by or against the legal or
17 beneficial owner of the property requesting relief under
18 the provisions of 11 U.S.C. Chapter 7, 11, 12, or 13, ~~or~~

19 (7) the property is owned by the United States, the
20 State of Illinois, a municipality, or a taxing district, l
21 or.

22 (8) the owner of property is a member of the armed
23 forces of the United States who has applied for an
24 extension of his or her due date as provided in Sections
25 21-15, 21-20, and 21-25.

26 (b) When, upon application of the owner of the certificate
27 of purchase only, it appears to the satisfaction of the court
28 which ordered the property sold that any of the following
29 subsections are applicable, the court shall declare the sale to
30 be a sale in error:

31 (1) A voluntary or involuntary petition under the
32 provisions of 11 U.S.C. Chapter 7, 11, 12, or 13 has been
33 filed subsequent to the tax sale and prior to the issuance
34 of the tax deed.

35 (2) The improvements upon the property sold have been
36 substantially destroyed or rendered uninhabitable or

1 otherwise unfit for occupancy subsequent to the tax sale
2 and prior to the issuance of the tax deed.

3 (3) There is an interest held by the United States in
4 the property sold which could not be extinguished by the
5 tax deed.

6 (4) The real property contains a hazardous substance,
7 hazardous waste, or underground storage tank that would
8 require cleanup or other removal under any federal, State,
9 or local law, ordinance, or regulation, only if the tax
10 purchaser purchased the property without actual knowledge
11 of the hazardous substance, hazardous waste, or
12 underground storage tank. This paragraph (4) applies only
13 if the owner of the certificate of purchase has made
14 application for a sale in error at any time before the
15 issuance of a tax deed.

16 (c) When the county collector discovers, within one year
17 after the date of sale if taxes were sold at an annual tax sale
18 or within 180 days after the date of sale if taxes were sold at
19 a scavenger tax sale, that a tax sale should not have occurred
20 for one or more of the reasons set forth in subdivision (a)(1),
21 (a)(2), (a)(6), or (a)(7) of this Section, the county collector
22 shall notify the last known owner of the certificate of
23 purchase by certified and regular mail, or other means
24 reasonably calculated to provide actual notice, that the county
25 collector intends to declare an administrative sale in error
26 and of the reasons therefor, including documentation
27 sufficient to establish the reason why the sale should not have
28 occurred. The owner of the certificate of purchase may object
29 in writing within 28 days after the date of the mailing by the
30 county collector. If an objection is filed, the county
31 collector shall not administratively declare a sale in error,
32 but may apply to the circuit court for a sale in error as
33 provided in subsection (a) of this Section. Thirty days
34 following the receipt of notice by the last known owner of the
35 certificate of purchase, or within a reasonable time
36 thereafter, the county collector shall make a written

1 declaration, based upon clear and convincing evidence, that the
2 taxes were sold in error and shall deliver a copy thereof to
3 the county clerk within 30 days after the date the declaration
4 is made for entry in the tax judgment, sale, redemption, and
5 forfeiture record pursuant to subsection (d) of this Section.
6 The county collector shall promptly notify the last known owner
7 of the certificate of purchase of the declaration by regular
8 mail and shall promptly pay the amount of the tax sale,
9 together with interest and costs as provided in Section 21-315,
10 upon surrender of the original certificate of purchase.

11 (d) If a sale is declared to be a sale in error, the county
12 clerk shall make entry in the tax judgment, sale, redemption
13 and forfeiture record, that the property was erroneously sold,
14 and the county collector shall, on demand of the owner of the
15 certificate of purchase, refund the amount paid, pay any
16 interest and costs as may be ordered under Sections 21-315
17 through 21-335, and cancel the certificate so far as it relates
18 to the property. The county collector shall deduct from the
19 accounts of the appropriate taxing bodies their pro rata
20 amounts paid.

21 (Source: P.A. 91-177, eff. 1-1-00; 91-357, eff. 7-29-99;
22 91-924, eff. 1-1-01; 92-224, eff. 1-1-02; 92-729, eff.
23 7-25-02.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.